



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

Pro forma DETAILED MODEL PLAN

PUBLIC LAW 97-35, AS AMENDED

FISCAL YEAR 2005

GRANTEE: COMMONWEALTH OF MASSACHUSETTS

EIN: 1-046002284-K4

ADDRESS: Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114

TELEPHONE: (617) 573-1100

FAX: (617) 573-1460

PLEASE CHECK ONE: **TRIBE:** _____ **STATE:** X **INSULAR AREA:** _____

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
OFFICE OF COMMUNITY SERVICES
WASHINGTON, D.C. 20447**

August 1987, revised 5/92, 2/95, 3/96, 12/98, 11/01
OMB Approval No. 970-0075
Expiration Date: 02/28/2005

GRANTEE Commonwealth of Massachusetts

FFY 2005

Assurances

The Commonwealth of Massachusetts agrees to:
(grantee name)

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code,

or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of—

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) * beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended.* By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.**

Signature: _____

Title: _____

Date: _____

*** Indian tribes/tribal organizations, and territories with annual regular LIHEAP allotments of \$200,000 or less, are not subject to assurance 15, and thus must only certify to 15 assurances.**

**** If a person other than the Chief Executive Officer of the State or territory, or Tribal Chairperson or Board Chairperson of a tribal organization, is signing the certification to the assurances, a letter must be submitted delegating such authority. (PLEASE ATTACH DELEGATION of AUTHORITY.) The delegation must include authority to sign the assurances, not just to administer the program.**

***** HHS needs the EIN (Entity Identification Number) of the State, territory or Tribal agency that is to receive the grant funds before it can issue the grant.**

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

**COMMONWEALTH OF MASSACHUSETTS
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
FY 2005 APPLICATION/STATE PLAN**

I. INTRODUCTION

In accordance with the "Low Income Home Energy Assistance Act of 1981" and subsequent amendments, the Governor of the Commonwealth of Massachusetts has designated Jane Wallis Gumble, Director, Department of Housing and Community Development, as his designee to submit to the Department of Health and Human Services this Application/State Plan for the Federal Low Income Home Energy Assistance Program for the Fiscal Year 2005. The Governor has designated the Department of Housing and Community Development as the single state agency to administer this program.

The address of the state administering agency is:

Department of Housing and Community Development
Attention: Jane Wallis Gumble, Director
100 Cambridge Street, Suite 300
Boston, MA 02114
(617) 573-1100

Copies of correspondence should also be sent to:

Department of Housing and Community Development
Division of Community Services
Community Services Unit
Attention: Theresa Brewer, Director of Community Services Programs
100 Cambridge Street, Suite 300
Boston, MA 02114
Phone: (617) 573-1400
Fax: (617) 573-1460
E-mail: theresa.brewer@ocd.state.ma.us

PROGRAM SUMMARY AND HIGHLIGHTS

The funding picture for FY 2005 had not been finalized before the preparation of this Plan. However, the current federal legislation indicates that it is likely \$1.8 billion, nationally, will be provided. This amount would provide Massachusetts with approximately \$74 million. Massachusetts expects to operate its LIHEAP program with some minor revisions. The benefit matrix will continue to have maximum benefits, and payment will be based on actual bills for energy use up to the maximum for each household as determined by poverty level category.

The benefit groupings, designed to allow for improved targeting of resources to those with lowest incomes and potentially greatest energy burden, have been enhanced to accommodate the highest energy burden and need. Those households with income of 0-100% of poverty receive the highest maximum benefit. The benefit levels themselves have been based on average heating costs for designated income groups, as well as the anticipated funding level for the program. The cost/benefit information was drawn from background analysis performed as part of a benefit distribution study conducted by the Massachusetts Institute of Social and Economic Research.

Massachusetts, in anticipation of a grant of approximately \$74 million for FY 2005 plus the DHHS leveraging grant, is proposing a program and benefits as outlined below. These plans will be subject to final federal fund availability, but represent the most appropriate contingency at this point in time.

The following summary contains key aspects of the FY '05 LIHEAP in Massachusetts:

- **Program Year:** Will extend from October 1, 2004, to September 30, 2005; heating benefits are available from November 1, 2004 through April 30, 2005.
- **Benefit Levels:** Shown in Attachment B. They are based on an estimated national appropriation of \$1.8 billion (approximately \$74 million for Massachusetts) and estimated, weighted consumption averages that result in a cost-based benefit matrix.

NOTE: • Benefit levels are subject to change based on final availability of federal funds.

- **Leveraging Initiatives:** For deliverable fuels, the Margin-Over-Rack (MOR) oil pricing method and the Haverhill Area Oil Bid Program will continue as the major oil savings initiatives, with little or no change in program design from the prior year.

On the utility side, DHCD's Community Services Unit (CSU) within the Division of Community Services (DCS) will continue to be active in the settlement and implementation of reduced rate offerings for fuel assistance recipients. Standardization in the enrollment process, billing procedures, etc., will be sought for the Subgrantee network.

NOTE: During FY 2003, the Commonwealth leveraged over \$65 million in non-federal resources, for which it has been awarded \$ 728,677.00 from the Department of Health and Human Services' Leveraging Incentive Fund. These funds were included as benefits for eligible households. (See Section VII of this application for a description of leveraging activities.)

- **HEARTWAP Support:** The heating system repair/replacement component will receive a commitment of \$6 million from LIHEAP funds. This allocation will fund "essential repairs" for fuel assistance eligible households.

II. STATEMENT OF STATUTORY ASSURANCES

I certify that the Commonwealth of Massachusetts will comply with the 16 assurances contained in Title XXVI, section 2505(b) of the Omnibus Budget Reconciliation Act of 1981 as amended, in the administration of its Low Income Home Energy Assistance Program.

Certification to the Assurances

Signature of Chief Executive Officer of the State or Designee

Signature: _____

Title: Director, Department of Housing and Community Development

Date: _____

Employer Identification Number: 1-046002284-K4

These assurances, together with a description of how the Commonwealth intends to carry out specific assurances, and all other application provisions and requirements are set forth in the following application.

III. PURPOSE/ALLOCATION OF FUNDS

The grantee will operate the following components under its LIHEAP Program:

• STATUTORY REFERENCE: 2605 (a), 2605 (b)(1) USE OF FUNDS

X heating assistance
— cooling assistance
X crisis assistance * (includes homeless crisis assistance)
X weatherization assistance

**Massachusetts integrates crisis assistance into its overall heating assistance component via a "fast-track" response system.*

• STATUTORY REFERENCE: 2605(a), 2605(b)(1) PROGRAM DURATION

The projected dates for accepting applications and closing the program are as follows:

| | |
|--------------------|-----------------------------|
| heating assistance | <u>11/1/04 to 4/30/05</u> |
| cooling assistance | <u>N/A</u> |
| crisis assistance | <u>11/1/04 to 4/30/05</u> |
| weatherization | <u>09/30/04 to 09/29/05</u> |

• STATUTORY REFERENCE: 2605(c)(1)(c), 2605(c)(1)(F) ALLOCATION OF FUNDS

The grantee estimates the amount of available LIHEAP funds* will be expended as follows:

| | |
|---------------|--|
| <u>76</u> % | heating assistance |
| <u>n/a</u> % | cooling assistance |
| <u>3</u> % | crisis assistance (set aside) |
| <u>8</u> % | weatherization assistance |
| <u>0.0</u> % | carryover to the following fiscal year |
| <u>10.0</u> % | administrative and planning costs |
| <u>3.0</u> % | services to reduce home energy needs including needs assessment (Assurance 16) |
| <u>0.0</u> % | used to develop and implement leveraging activities (\$10,000) |
| <u>100%</u> | TOTAL |

**Based on a federal allocation of \$74 million.*

• **STATUTORY REFERENCE: 2605(c)(1)(C) ALTERNATE USES OF CRISIS ASSISTANCE FUNDS**

The funds reserved for winter crisis assistance which have not been expended by March 15 will be reprogrammed to:

| | |
|------------|---------------------------|
| <u>X</u> | heating assistance |
| <u> </u> | cooling assistance |
| <u> </u> | weatherization assistance |
| <u> </u> | Other (specify): |

Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?

YES; All fuel assistance agencies are accessible and provide for the energy crisis assistance.

IV. ELIGIBILITY REQUIREMENTS

The grantee's maximum eligibility limits are:

NOTE: Eligibility applies to heating, crisis assistance, and LIHEAP Weatherization Assistance.

• **STATUTORY REFERENCE: 2605(b)(2, 2605(c)(1)(A)**

| | |
|------------|---|
| <u> </u> | 150% of the OMB poverty guidelines for each of the components under the grantee's LIHEAP Program. |
| <u> </u> | 125% of the OMB poverty guidelines for each of the components under the grantee's LIHEAP Program. |
| <u> </u> | 110% of the OMB poverty guidelines for each of the components under the grantee's LIHEAP Program. |
| <u> </u> | 60% of the State's median income for each of the components under the grantee's LIHEAP Program. |

X Other – variable levels of the state median income, maximizing at 60%, to equate with federal poverty levels up to 200%. LIHEAP Weatherization services are restricted to households with incomes up to 200% of the federal poverty level, but not to exceed 60% (depending on household size) of the state median income.

— Households automatically eligible if one person is receiving — TANF, — SSI, — Food Stamps, — Certain Means tested veterans' programs (heating — cooling — crisis —wx —)

• **STATUTORY REFERENCE: 2605(c)(1)(A) 2605 (b) (2) HEATING ASSISTANCE**

Do you have additional eligibility requirements for Heating Assistance? YES

The grantee has set the following additional eligibility requirements for each LIHEAP component:

| | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| Assets Test | — | <u>X</u> |
| Do you give priority in eligibility to: | | |
| Elderly | — | <u>X</u> |
| Disabled | — | <u>X</u> |
| Young Children | — | <u>X</u> |
| Other (specify): | | |
| Subsidized housing tenants eligible: | | |
| If heat is included in rent | — | <u>X*</u> |
| If heat is paid directly | <u>X</u> | — |
| Restricted eligibility for group living arrangements | <u>X</u> | — |
| Restricted eligibility for non-subsidized renters | — | <u>X</u> |
| Higher eligibility maximum for elderly/handicapped | — | <u>X</u> |
| Other: (Specify below) | — | <u>X</u> |

* These households are eligible for assistance if total rent payment exceeds 30% of household income.

• **STATUTORY REFERENCE: 2605(c)(1)(A), 2605(b)(2) COOLING ASSISTANCE**

Not Applicable.

• **STATUTORY REFERENCE: 2604 (c) 2605(c) (1) (A), 2604 (c) CRISIS ASSISTANCE**

| Additional Information | <u>Yes</u> | <u>No</u> |
|-------------------------------|------------|-----------|
| Assets Test | — | <u>X</u> |

Do you give priority in eligibility to:

| | | |
|----------------|---|----------|
| Elderly | — | <u>X</u> |
| Disabled | — | <u>X</u> |
| Young Children | — | <u>X</u> |

Other:

Subsidized housing tenants eligible:

| | | |
|--|----------|-----------|
| If heat/cooling is in rent | — | <u>X*</u> |
| If heat/cooling is paid directly | <u>X</u> | — |
| Household must have received a shut-off notice or have an empty tank | <u>X</u> | — |
| Household must have exhausted regular benefit | — | <u>X</u> |
| Household must have received a rent eviction notice | <u>X</u> | — |
| Heating/cooling must be medically necessary | — | <u>X</u> |
| Additional: (Specify Below) | — | <u>X</u> |

**Limited eligibility as described in above "Heating Assistance."*

Households will make application for the program using the standard LIHEAP application form. The households will have their incomes determined under the regular LIHEAP income standards. The current benefit matrix (revised) will apply to the households determined eligible.

The crisis intervention component of Massachusetts LIHEAP has been developed as a "fast-track" system, integrated into the heating assistance program, for prioritizing and expediting service to households experiencing heating emergencies. The purpose of this "fast-track" system is to provide swift response to heating emergencies, while steering applicants into the mainstream heating assistance component with full benefits. Emergency applications are given priority at all intake and processing steps. Local Administering Agencies (LAAs) are required to provide for emergency service within 18 hours of the eligible household's application or request, in accordance with the statute and corresponding procedures outlined in the FY 2005 Administrative Guidance.

Since the inception of LIHEAP, Massachusetts has attempted to decrease from year to year the number of crisis situations experienced by low-income households. Emphasis on prompt filing of applications, timely certification of eligibility by Local Administering Agencies, and prompt vendor payment have contributed to streamlining the process for LIHEAP operations and the clients' receipt of timely, uninterrupted service. Local Administering Agencies work closely with energy vendors to insure appropriate response to crisis situations during the entire program period.

The mail recertification process is designed to move applicants into the program in a timely fashion. This process greatly minimizes the incidence of crisis situations from this population, as their eligibility is determined prior to the November 1st delivery period.

The criteria for designating an emergency are as follows:

- a. no heat for any reason, including heating system failure
- b. imminent loss of heat, due to:
 - less than 3-day supply of fuel (e.g., reading of 1/8 tank or less on a standard 275 gallon heating oil tank; "3-day or less" supply standard applies to other delivered fuels)

OR

- possession of final notice of utility termination for the primary heat source, or for a secondary source necessary to operate the primary heating system, when termination is scheduled to occur between November 1, 2003 and April 30, 2004

OR

- threatened eviction within 72 hours for renter whose rent includes heat

• **STATUTORY REFERENCE: 2605(c)(1)(A) WEATHERIZATION ASSISTANCE**

| | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| Assets Test | — | <u>X</u> |
| Do you give priority in eligibility to: | | |
| Elderly | — | <u>X</u> |
| Disabled | — | <u>X</u> |
| Young Children | — | <u>X</u> |
| Other (specify): | | |
| Subsidized housing tenants eligible: | | |
| If heat is included in rent | <u>X</u> | |
| If heat is paid directly | <u>X</u> | — |
| Restricted eligibility for group living arrangements | <u>X</u> | — |
| Restricted eligibility for non-subsidized renters | — | <u>X</u> |
| Higher eligibility maximum for elderly/handicapped | — | <u>X</u> |
| Other: (Specify below) | — | <u>X</u> |

Are you using Department of Energy (DOE) Low Income Weatherization Assistance Program (LIWAP) rules to establish eligibility or to establish priority eligibility for households with certain characteristics?

No; Eligibility is based on LIHEAP income eligibility and need for the specific weatherization services provided by the Massachusetts HEARTWAP.

• **STATUTORY REFERENCE: 2605(b)(3), 2605(c) (3) (A) OUTREACH**

The subgrantee conducts the following outreach activities designed to assure that eligible households are made aware of all LIHEAP assistance available:

- X provide intake service through home visits or by telephone for the physically infirm (i.e., elderly or disabled).
- X place posters/flyers in local and county social service agencies, offices of aging, social security officers, VA, etc.
- X publish articles in local newspapers or media announcements are aired.
- X include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- X make mass mailing (including application) to past recipients of LIHEAP.
- X inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- X execute interagency agreements with other low-income program offices to perform outreach to target groups.
- X Other (Please specify):
 - utilize early application period at the beginning of the program.
 - accept applications for energy crisis at sites that are geographically accessible to all households in the area to be served.

NOTE: *All of the activities listed above are carried out in varying degrees by the LAA network. The Administrative Guidance for Program Operators outlines mandated outreach activities.*

Subgrantees are also required via contractual agreement to maintain accessible intake sites, home visit capacity, general publicity, bilingual assistance for applicants, and use of existing networks to reach target households. The use of mail recertification reduces the need and demand for home visits to elderly and disabled households. Subgrantees are instructed to target high-risk groups within their service areas, including non-English speaking minorities.

The Community Services Unit (CSU) will maintain working relationships with other agencies such as the Department of Transitional Assistance and the Executive Office of Elder Affairs, which will assist in program outreach activities. Local agencies are also encouraged to develop such networks.

As for additional steps taken to target households with high home energy burden, CSU and its network have traditionally promoted the program to those facing high energy bills and/or financial limitations. As an example, the customer service departments of local utilities and the Consumer Division of the State Department of Telecommunications and Energy (DTE) often refer situations of households with financial hardship and payment trouble to the fuel assistance program. Many of these households face excessive energy burdens. In addition, high energy burden households will receive additional "priority points" as part of CSU's current protocol to target weatherization services, which will help reduce energy bills, and the need for assistance.

With the majority of served households having income below the poverty line, these low-income recipients are in a vulnerable position with respect to a high energy burden. The vendor population is key in referring households with high burden/payment troubles to their local fuel assistance agency. High energy users can be targeted for outreach by both vendors and agencies in the normal course of disseminating information on the program.

V. COORDINATION

• **STATUTORY REFERENCE: 2605(b)(4) COORDINATION**

The Department of Housing and Community Development's Division of Community Services (DCS) houses the Fuel Assistance and the Energy Conservation operations, as well as other related community programs, in the Community Services Unit (CSU). DCS receives funding and administers a variety of programs under the Community Services Block Grant, via a network of Community Action Agencies. Under contract with the CSU, these agencies also administer the LIHEAP program, with a few exceptions. A high degree of coordination among programs, appropriate referrals, and more complete service packages are largely ensured by the multi-faceted nature of these local agencies. (See Attachment A for Subgrantee listing). DCS works to share information, develop service capacity, and integrate resources through groups such as the Massachusetts Association of Community Action, the Massachusetts Energy Directors Association and the Energy Policy Advisory Group.

Within the Community Services Unit (CSU), both the fuel assistance and energy conservation operations have collaborated with the LAAs to develop a single standardized Fuel Assistance/ Weatherization Assistance application form. This application, when filed for fuel assistance during the heating season, also serves as a single point of entry and certification for all energy assistance programs offered by CSU.

During Fiscal Year 2005, CSU will continue to pursue the involvement of other governmental agencies in LIHEAP administration. CSU will seek the assistance of the Social Security Administration, the State Department of Transitional Assistance and Department of Revenue in specific aspects of income verification and related eligibility information, and in the prevention of potential fraud situations. CSU will also continue its work with the DTE regarding rate structures and rate relief for low-income consumers. A variety of strategies will be examined, and more direct involvement with utilities on alternative payment plans will be considered. CSU staff work regularly with both the DTE and individual utilities to coordinate enrollment of LIHEAP recipients in the various subsidized rate programs, which are offered by all major utilities in the Commonwealth.

IV. BENEFIT LEVELS

• **STATUTORY REFERENCE: 2605(b)(5), 2605 (b) (2), (b) (8A) BENEFIT LEVELS**

The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible").

How do you ensure there is no difference when determining eligibility and benefit amounts? *(This applies to all components unless specifically noted below.)*

CSU has specific income eligibility criteria outlined in the LIHEAP Administrative Guidance for Program Operators. Since the Massachusetts LIHEAP does not recognize categorical eligibility, those households that receive income from the sources mentioned above are treated the same as those households with income from any other source. The eligibility of all households is based on annualized income and family size. The benefit amount is determined in the same manner regardless of the source of income; the determining factors are family income and size and where these factors place the household in the Massachusetts LIHEAP benefit matrix.

• **STATUTORY REFERENCE: 2605(b)(5) HEATING COMPONENT**

Please check the variables you use to determine your benefit levels (check all that apply):

☒ income

☒ family (household) size

☒ home energy cost or need

☒ fuel type

☐ climate/region

☒ individual bill

☐ dwelling type

☒ energy burden

☒ energy need

☐ other

DHCD uses a mixture of a fixed benefit determined by poverty level with an additional benefit by fuel cost/fuel type to determine the benefit to be awarded each household. This process assures that households with the lowest income and the highest fuel costs receive the most benefits. Benefit levels are shown in Attachment B, Benefit Matrix.

Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits? ☐ Yes ☒ No

• **STATUTORY REFERENCE: 2605(b)(5), 2605 (c) (1) (B) COOLING COMPONENT**

Not Applicable

• **STATUTORY REFERENCE: 2605(b)(5), 2605 (c) (1) (B) CRISIS COMPONENT**

Benefit Determination

How do you handle crisis situations?

☐ Separate component

☒ Other* (please explain)

*Included in regular program. See pages 7-8 for a full explanation of the crisis component of the Massachusetts LIHEAP Program.

If you have a separate component, how do you determine crisis assistance benefits?

☐ amount to resolve crisis up to maximum

☐ other (please describe)

Benefit levels

Please indicate the maximum benefit for each type of crisis assistance offered.

| | |
|------------|--|
| Heating | \$ <u>640</u> maximum benefit (based on \$74M) |
| Cooling | \$ <u>N/A</u> maximum benefit |
| Year-round | \$ <u>N/A</u> maximum benefit |

Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?

 Yes **X** No (If yes, please describe.)

STATUTORY REFERENCES 2605 (b) (5), 2605 (c) (1) (B) & (D) *WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS*

What LIHEAP weatherization services/materials do you provide?

 Weatherization needs assessments/audits.
 Caulking, insulation storm windows etc.
X Furnace/heating system modifications/repairs
X Furnace replacements
 Cooling efficiency modifications/repairs/replacements
 Other (please describe)

Do you have a maximum LIHEAP Weatherization benefit/expenditure per household?

X Yes No

Under what rules do you administer LIHEAP weatherization?

Weatherization Component Guidelines

Under the Heating Emergency Assistance Retrofit Task Weatherization Assistance Program (HEARTWAP), heating system services will be provided on an as-needed basis. The services include the cleaning, tuning and evaluation of heating systems, repair and upgrade of existing components, replacement of burners and replacement of unsafe, inoperable or gravity warm air heating systems. Expenditures per home may range from \$90 for a system tune-up to \$2,750 for a heating system replacement. In addition to the direct heating system work, HEARTWAP provides up to \$1,200 for abatement of unsafe asbestos disturbed during heating system work, and for client education in the most efficient use of the heating system. LIHEAP households are automatically eligible to receive HEARTWAP services, and are considered to have priority status for such.

NOTE: Full scale weatherization will be available to eligible LIHEAP Households through the Department of Energy (DOE) Weatherization Assistance Program. At an average cost of \$2,070 per weatherized home, WAP will provide an energy audit, insulation of attics, walls, and perimeters, general heat waste reduction, and other measures, such as storm windows, according to CSU determined priorities and guidance.

The maximum allowable WAP expenditure in a home will be \$4,000 in labor and materials, with the possibility of an additional \$600 in repairs related to the successful installation of conservation measures. The majority of LIHEAP recipients are eligible for DOE WAP services.

Conservation activities are administered by energy conservation personnel within the Community Services Unit of DHCD's Division of Community Services; these activities are coordinated closely with LIHEAP personnel. Many

of the Local Administering Agencies that operate the energy conservation assistance programs also operate LIHEAP.

General Program Benefit Information

In keeping with the legislative mandate that higher benefit levels be available for households with the highest energy costs or needs in relation to income, an eligibility matrix has been developed on the basis of income ranges.

The income ranges are as follows:

A. For Fuel Assistance/Crisis:

- 1) Households at or below 100% of federal poverty level.
- 2) Households at or below 125% of federal poverty level.
- 3) Households at or below 150% of federal poverty level.
- 4) Households up to 200%, limited to 60% of the state median income.

B. For Weatherization (HEARTWAP) Assistance:

- 1) Households up to 200% of the federal poverty level, limited to 60% of the state median income.

VIII. GENERAL PROGRAM BACKGROUND

From 1992 through 2004, the Community Services Unit (CSU) has undertaken annual studies of comparative fuel costs for LIHEAP recipients, accounting for fuel type, household size, and other independent characteristics. The focus of the analysis is on the major heating sources of gas, oil, and electricity, which encompass close to 90% of served households in Massachusetts.

The results indicate that heating costs of these three sources, over the course of the five-month heating season, were not significantly different. It should be noted that both the availability of major utility discounts (20 - 30%) for many LIHEAP households, as well as the average savings of 8 to 10 cents per gallon resulting from the Margin-Over-Rack Program, have contributed to cost control and "leveling" for most LIHEAP recipients. A significant number of LIHEAP households have received weatherization measures through the Department of Energy Weatherization Program and numerous utility conservation programs which further control consumption.

Following extensive data analysis performed in 1997 and again in 2002 by the Massachusetts Institute of Social and Economic Research (MISER), an alternative benefit distribution method was established. This alternative benefit distribution method is based on factors of income and actual heating costs incurred by households. In order to assure that benefits are targeted to households with the lowest incomes and the highest costs/needs, CSU now makes the 0 to 100% of poverty group eligible for the highest heating benefit. Those with high costs and need will be eligible for an additional benefit based on actual energy billing. The latter is substantially supported by weighted averages from the MISER study.

In accordance with LIHEAP regulations and pending the availability of funds, Local Administering Agencies may provide such services as needs assessment, referral, budget counseling, energy education/awareness and vendor relations as part of the ongoing servicing of eligible households. These services will be directed toward households who may be in financial/energy crisis requiring individual attention beyond the standard course of action. CSU will allow for this type of program activity and may support it with up to 5 % of the total LIHEAP allocation. Budgeting restrictions will be placed on each contracting LAA and monitoring will ensure compliance with this limitation.

All households are required to complete an application for assistance and to document their income to determine eligibility. In general, households are determined eligible based on the amount of household income rather than whether it came from any particular source. Therefore, the Commonwealth does not differentiate in the provision of assistance between households described in clauses 2(A) and 2(B) under Section 2605 (b) of the LIHEAP statute.

Income eligibility determinations are made in accordance with CSU's Administrative Guidance for Program Operators, which outlines certain deductions and exclusions. Mail-in recertifications for prior year recipients will aid in timely eligibility determination, and earlier payment processing.

In keeping with the statutory requirement that payments be made in a timely manner, the Commonwealth will require its Local Administering Agencies to pay vendors within thirty (30) days of receipt of an authorized bill for payment, unless otherwise negotiated with the vendor. This timetable applies to vendor payments regardless of their regulated or non-regulated status, and should only be affected by a lack of federal or state cash flow to the Commonwealth/DHCD, or by CSU to the LAA.

Service for all eligible clients in emergency situations is provided within an 18-hour timeframe as specified in the statute. For the FY 2005 program year, CSU will update poverty guidelines prior to the beginning of the program. Poverty guidelines will not be updated again until the beginning of the FY 2006 program year.

The CSU prescribed method for determining eligibility based on income, household size and housing situation provides equitable treatment for all applicant households.

NOTE: *All benefit levels are subject to change based on final availability of federal funds.*

• **STATUTORY REFERENCE: 2605(b)(6) ADMINISTRATIVE AGENCIES**

Have any changes been made in Local Administering Agencies in the past year?

Yes ---- No X

Local Administrative Agencies

The Commonwealth currently subcontracts for local administration of Fuel Assistance with twenty-one (21) agencies, nineteen (19) of which are Community Action Agencies that are in operation under the Economic Opportunity Act of 1964. Since October 1996, CSU has conducted a yearly monitoring assessment of its program operators that includes a review of administration, fiscal management, and field operations. CSU reserves the right to select a Subgrantee in any service area via a Request For Response process or by designation of the Director of the Department of Housing and Community Development.

A list of designated program operators for the Fuel Assistance and Energy Conservation Programs is included as Attachment A to this Application/State Plan. A statewide distribution formula will be prepared which allocates program funds to service areas based on prior year expenditures for the area covered by the Subgrantee. A cost formula for allocation of administrative funds to the Local Administering Agency for each of the twenty-one (21) LIHEAP service areas is utilized.

• **STATUTORY REFERENCE: 2605(c)(1)(E) ADDITIONAL STEPS TO BE TAKEN TO TARGET ASSISTANCE TO HOUSEHOLDS WITH HIGH ENERGY BURDENS**

Targeting Assistance

Starting with the 1998 LIHEAP, DHCD has collected energy cost data through its Subgrantees along with the income and vulnerable categories that have been traditionally collected. This information is used to target benefits to individual households. This same data is used when needed by the Massachusetts Institute of Social and Economic Research (MISER) for analysis and assistance in determining benefits and targeting need. In all cases, privacy issues are properly addressed.

• **STATUTORY REFERENCE: 2605(c)(1)(F) PAYMENTS**

Payments Process and Methods

Will the grantee make cash payments directly to eligible households for heating, crisis, or weatherization?

☐ Yes ☒ No*

* ***NOTE:*** *Payments are issued by Subgrantee agencies. To ensure effectiveness of payments, Massachusetts LIHEAP is primarily a vendor payment program. However, the Commonwealth recognizes that, in some instances, vendor payment for heating assistance may not be feasible.*

Payments directly to clients are allowed only in the following instances (unless a written waiver is granted by CSU):

A) When an eligible tenant's heat is included in rent;

OR

B) When a client's vendor refuses to sign the Vendor Agreement to participate in LIHEAP and the client cannot obtain an alternative supplier;

OR

C) When a Subgrantee does not have a vendor agreement with the vendor under circumstances approved by CSU;

OR

D) When a client who shares a primary heating system is unable to obtain delivery. (If it is necessary to estimate the cost of the first delivery of the program to such a household, a reasonable estimated payment can be made to the client. The client must provide a paid delivery ticket or invoice as proof of payment of the prior delivery before each subsequent payment may be made. Should a vendor still refuse to deliver, a two-party check to client and vendor may be used as a last resort.);

OR

E) When a client shares a heating system with his/her landlord whose oil vendor is not participating in the Margin-Over-Rack program and the client pays the landlord for half of each oil delivery;

OR

F) When a client shares an oil tank with another person who does not receive LIHEAP benefits.

• **STATUTORY REFERENCE: 2605(b)(7) ENERGY SUPPLIERS**

Will the grantee pay home energy suppliers directly?

☐ Yes ☐ No ☒ Other (specify*)

* **NOTE:** Subgrantee agencies will pay home energy suppliers directly.

Describe how the grantee will assure that the energy supplier performs what is required in this assurance:

A vendor agreement, required by CSU and implemented via the Subgrantee, contains assurances as to fair billing practices, delivery procedures, and pricing procedures for business transactions involving LIHEAP recipients. These agreements are subject to monitoring procedures performed by either Subgrantee or CSU Staff. This Agreement signed by all vendors, states that the vendor "will not discriminate against the certified (LIHEAP) customer in prices or services" and provides that the vendor will "make deliveries/supply services in accordance with normal business practice".

The vendor agreement also ensures the supplier will offer the full range of credit, deferred payment, budget, level payment and other credit plans, which will help minimize the risks of home energy crises and encourage regular payment by LIHEAP recipients.

In addition, the majority of unregulated vendors (Heating Oil Dealers) are required to participate in CSU's Margin-Over-Rack Pricing Program if they wish to receive vendor payments. This discounting effort increases the "purchasing power" of the recipients' cash benefit, thereby helping to alleviate the energy burden of those households.

CSU will undertake a review of program policies and contracts to ensure that both subgrantees and vendors adhere to the program administrative guidelines.

• **STATUTORY REFERENCE: 2605(b)(7)(A)**

If the grantee makes payments directly to home energy suppliers, how does the grantee notify the client of the amount of assistance paid?

The CSU Subgrantee Grant Agreement requires that all clients be notified of payment on their behalf within specific time frames.

Written notification, preferably in the form of a statement containing billing, payment balances etc. must be sent to recipients at least once a year upon exhaustion of benefits, or according to an established schedule as stipulated in the Massachusetts LIHEAP Administrative Guidance.

• **STATUTORY REFERENCE: 2605(c)(1)(F) PAYMENT METHODS**

What are the grantee's payment methods? (Please note exceptions listed above)

Heating:

☐ Vouchers/coupons
☐ Two-party checks

- ☒ Vendor payments (through subgrantee agencies)
- ☐ Check payable to the eligible household
- ☐ Check to landlord
- ☐ Other (specify)

Crisis:

- ☐ Vouchers/coupons
- ☐ Two-party checks
- ☒ Vendor payments (through subgrantee agencies)
- ☐ Check payable to the eligible household
- ☐ Check to landlord
- ☐ Other (specify)

Weatherization:

- ☐ Vouchers/coupons
- ☐ Two-party checks
- ☒ Vendor payments (through subgrantee agencies)
- ☐ Check payable to the eligible household
- ☐ Check to landlord
- ☐ Other (specify)

Under the grantee's plan, may a single eligible household receive: *(Please check all that apply)*

- ☐ One payment for the program year for heating and cooling
- ☒ A heating payment
- ☐ A cooling payment
- ☐ A heating crisis payment
- ☐ A cooling crisis payment
- ☒ A weatherization payment
- ☐ Other (specify)

• **STATUTORY REFERENCE: 2605(b)(8) (B) OWNERS AND RENTERS**

A. HEATING ASSISTANCE--Is there any difference in the way owners and renters are treated?

☒ Yes ☐ No

Heating benefits paid to renters are affected by a number of factors, including the following:

- Type of rental (subsidized vs. non-subsidized)
- Inclusion of heating in rental payment
- Responsibility for heat and/or energy utilities payment

In an effort to appropriately target benefits to households with the lowest income and highest energy burden, CSU will recognize individual rental situations as outlined below for purposes of benefit distribution/eligibility.

i. Renters in private, non-subsidized housing who pay directly for their own costs of both heat and utilities:

Renters in private non-subsidized housing who receive energy bills directly, and therefore pay for their own heat and utilities, are considered to be in the same situation as homeowners paying their energy costs directly. Income eligible households in this situation will have payments made directly to the primary heating vendor agreement or (in emergency cases) to the client when a vendor cannot be obtained.

ii. Renters in private, non-subsidized housing whose heat and utilities are both paid through rent, or whose rent includes heat but not other utilities:

Renters in this category are eligible to receive 30% of their monthly/weekly rent. At the time of application, applicants must fully document that their rent includes heat and utilities, or heat only, by means of lease agreements, landlord written verification or other appropriate form. Payments will be made on a specified periodic basis rather than in a lump sum. Eligible tenants may receive direct payments, on a specified periodic basis for 30% of the monthly/weekly rent.

The client must provide proof of current residency, a signed agency form, or other confirmation that his/her rental situation has not changed, before a subsequent payment will be made. Renters in this situation are not eligible for secondary source utility payments.

iii. Renters in public housing or private subsidized housing who pay directly for both heat and utilities and who do not receive a heat/utility allowance:

Households in this situation who receive heating/utility bills directly are eligible for standard benefits according to income and household size.

iv. Renters in public housing or private subsidized housing who pay directly for both heat and utilities and who do receive a heat/utility allowance:

Renters who pay for their own heat and utilities and who receive a heat/utility allowance from their subsidy source experience a substantially reduced energy burden in relation to income. Because of this reduced vulnerability, clients in this situation will be eligible for up to one-half (1/2) of the benefit level for their income range.

v. Renters in public housing or in private subsidized housing where rent is limited to 30% of income who do not pay directly for their heat or utilities, or pay for utilities only:

These tenants do not experience a primary heat burden and have reduced energy vulnerability by virtue of heating costs included in a limited rent. Therefore, these renters are not eligible for LIHEAP.

vi. Renters with housing vouchers in private subsidized housing:

Housing vouchers are a form of housing assistance in which subsidized renters may pay substantially more than a fixed percentage (30%) of income for rent. Such renters will be served as follows:

- 1) A federal Housing Choice Voucher Program tenant whose share of the rent is more than 30% of their income:
 - If rent includes heat, the tenant will be potentially eligible for the one-half of the benefit level by income, with payments made in the amount of 30% of the tenant's share of rent on a periodic basis. The tenant's income will be determined according to income standards for the LIHEAP. Payments will be made in the amount of 30% of the tenant's share of rent on a monthly basis.
 - If the tenant is responsible for directly paying heat and utility bills, the tenant will be potentially eligible for the full benefit level by income.
- 2) A federal housing Choice Voucher Program tenant whose share of the rent is 30% or less of their income:
 - If rent includes heat, the tenant will not be eligible for LIHEAP.
 - If the tenant is responsible for directly paying heat and utility bills, the tenant will be potentially eligible for one half of the benefit level by income.

3) A state (Massachusetts Rental Voucher Program or Alternative Housing Voucher) mobile voucher tenant, if rent includes heat:

- The tenant will potentially be eligible for the full benefit level by income if the tenant pays more than 30% of income as the tenant's share of rent. The tenant's income will be determined according to income standards for the LIHEAP. Payments will be made in the amount of 30% of the tenant's share of rent on a monthly basis.
- The tenant will not be eligible for LIHEAP if the tenant pays 30% of income or less as the tenant's share of rent. The tenant's income will be determined according to income standards for the LIHEAP.

4) If the renter is a state voucher tenant (Massachusetts Rental Voucher Program or Alternative Housing Voucher) and is directly responsible for paying heat and utility bills, that renter will be potentially eligible for the full benefit level by income.

vii. Group Homes

Residents of institutions or community-based facilities which provide on-going services, care or treatment are not eligible to receive LIHEAP benefits under either of the following circumstances: a federal, state, or local operating grant or subsidy is received by the institution or facility; or, residents do not otherwise personally experience an energy vulnerability which can be reduced by LIHEAP.

B. COOLING ASSISTANCE--Is there any difference in the way owners and renters are treated?

☐ Yes ☐ No ☒ N/A

C. CRISIS ASSISTANCE--Is there any difference in the way owners and renters are treated?

Any eligible household who meets the crisis criteria for fast track applications as outlined earlier is eligible for crisis assistance. The high percentage of rental households served by Massachusetts LIHEAP demonstrates equitable and non-discriminatory treatment for renters within this category of assistance as well.

D. WEATHERIZATION ASSISTANCE--Is there any difference in the way owners and renters are treated?

☒ Yes ☐ No

All LIHEAP fuel assistance recipients up to 200% of the federal poverty level, limited to 60% of the state median income, are automatically income eligible for benefits under the heating system assistance program, Heating Emergency Assistance Retrofit Task Weatherization Assistance Program (HEARTWAP). However, since the Massachusetts State Sanitary Health Code requires landlords to maintain an operable heating system for their tenants, the HEARTWAP places some restrictions on tenant services. LIHEAP eligible tenants with LIHEAP eligible landlords are eligible for the full array of HEARTWAP services. Tenants receiving weatherization are ensured of receiving those benefits through a comprehensive tenant/landlord agreement. All households, regardless of ownership status, are eligible for referral to the DOE Weatherization Assistance Program and a variety of utility funded conservation programs and receive the benefits of those programs.

• STATUTORY REFERENCE: 2605(b)(9)

Grantee Administration

As grantee for three major block grants (LIHEAP, CSBG, CDBG) and DOE's energy conservation funds, the Department of Housing and Community Development maintains budget oversight and coordination of program and administrative expenditures pertaining to activities funded under these grants.

• **STATUTORY REFERENCE: 2605(b)(10) PROGRAM AND FISCAL MONITORING**

Program and Fiscal Monitoring

The Commonwealth has a financial system appropriate to safeguard federal funds and requires the Local Administering Agencies to submit certified audit reports. The DCS Finance and Compliance Unit performs fiscal monitoring and CSU is responsible for monitoring program operations. Jointly, the following monitoring is accomplished: inspecting or reviewing client records, administrative procedures and expenditures, vendor payments, requests for disbursement of funds, and all other local program activities. Site visits to each agency will be made on a regular basis and written reports will be filed on the results or findings of each visit. The visits and reports will state results of compliance reviews, outline operational strengths, identify observed weaknesses, and as appropriate, note required corrective actions and timeframes for implementation. The CSU is currently exploring a process to conduct post-audit reviews as part of its monitoring system.

In the event suspension or termination of any agency is required, the grant agreement with the Local Administering Agencies delineates the specific suspension and termination procedures to be followed. In addition, a performance evaluation of LAAs will be conducted each program year. This evaluation will be based upon compliance criteria and site visit results, program/ financial reports, and other relevant criteria.

In addition, CSU is audited annually on its expenditures of amounts received under this Title and amounts transferred to carry out the purposes of this Title.

• **STATUTORY REFERENCE: 2605(a)(2), 2605(b)(12) PUBLIC PARTICIPATION AND HEARINGS**

Public Participation

As part of its overall public review process, the proposed State Plan was released in August to LAAs/provider agencies, Energy Policy Advisory Group, and other interested parties. To ensure meaningful public participation in the development of the Plan, DHCD conducted several informal hearings from April through July, 2004 to discuss proposed modifications to LIHEAP.

A formal Public Hearing was held on August 16, 2004 in Boston, MA during which both oral and written comments were received and recorded via transcripts. Notice of the public hearing was advertised in newspapers across Massachusetts and sent to interested parties. All comments made throughout the review process are considered in completing the document. A LIHEAP advisory group has been assembled by DHCD to review proposed modifications to the program including asset limits/threshold, categorical eligibility, partnerships with utilities, Assurance 16 activities and other subject areas deemed appropriate. The advisory group is comprised of representatives from the LIHEAP provider agency network, community action trade association, consumer legal and elderly advocacy and DHCD. In addition, the Energy Policy Advisory Group will continue to provide input and direction during the program year.

• **STATUTORY REFERENCE: 2605(b)(13) APPEALS PROCESS**

Fair Hearings/Appeals Process

The Commonwealth requires that Local Administering Agencies (LAA) notify all applicants/clients of their right to appeal specific LAA decisions in the heating assistance/crisis assistance and energy conservation programs. Notification of these rights must be given:

1. When the applicant/client first applies for assistance (in the printed statement on the application);
2. When the LAA provides an applicant/client with a notice of either eligibility or ineligibility; and
3. When the agency issues a final decision of denial on an appeal.

The appeals process requires applicants/clients initially to appeal to the LAA, and offers the opportunity to appeal to DHCD/CSU if the applicant/client is not satisfied with the decision issued by the LAA. Appeals must be made to the LAA, on a form provided by the LAA, within twenty (20) working days of receipt of any notice of eligibility or ineligibility. Applicants/clients can also request an appeal, on a form provided by the LAA, if they have not been notified of their application status within forty (40) days of the date of application.

The LAA will convene an informal, face-to-face hearing with an applicant/client when an applicant/client requests such a hearing, or when the LAA deems such a hearing to be necessary.

Within twenty (20) working days of receiving an appeal, the LAA must:

1. Schedule a hearing if a hearing has been requested by the applicant/client or has been deemed necessary by the LAA. Notice establishing the date, time and location of the hearing shall be sent to the applicant/client or the applicant/client's representative.
2. In all other cases,
 - a. Review and reconsider the applicant/client's application, including the possibility of obtaining additional income or other documentation;
 - b. Reach a decision on the case; and
 - c. Notify the applicant/client of the final decision in writing, along with notice of the applicant/client's right to and procedures for appeal to DHCD/CSU.

Within ten (10) working days of a hearing, the LAA shall

1. Reach a decision on the case; and
2. Notify the applicant/client of the final decision in writing, along with notice of the applicant/client's right to and procedures for appeal to CSU.

Appeals to CSU of LAA decisions will be handled by CSU's Appeals Officer. Applicants/clients must appeal, in writing, to CSU within 20 working days of the final LAA decision that includes the notice of appeal rights. The Appeals Officer will review all applicant/client files and information pertinent to the appeal, and will notify the applicant/client and the LAA of the decision in writing (within 20 working days of receipt of the appeal). This decision will include notification to the applicant/client of the right to seek and the time for seeking judicial review of CSU's decision.

The timeframe for filing appeals is:

- Appeals to Local Administering Agency - November 1 to the last day of business in June
- Appeal to CSU of an LAA Decision - November 1 to the last day of business in August

• **STATUTORY REFERENCES 2605 (b) (15) ALTERNATE OUTREACH AND INTAKE**

Does the State agency that administers the following LIHEAP component also administer the State's welfare program?

HEATING ASSISTANCE: ___ Yes X No

COOLING ASSISTANCE: ___ Yes X No

CRISIS ASSISTANCE: ___ Yes X No

As the Massachusetts LIHEAP program is operated under contract with local governmental entities or community-based organizations, both outreach and intake functions are primarily provided through this network. This is in addition to any services offered by the State Department of Transitional Assistance.

• **STATUTORY REFERENCES 2605 (b) (16)**

Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?

X Yes ___ No

If yes, please describe these activities.

- Needs Assessment (including high energy data collection).
- Counseling
- Assistance with Energy Vendors (shut offs, arrearages, budget plans)
- Fast track Emergency Service
- Referral to Energy Conservation Services including utility conservation programs

IX. LEVERAGING ACTIVITIES

• **STATUTORY REFERENCE: 2607(A) LEVERAGING**

The Community Services Unit has identified and/or developed a wide range of non-federal resources that will supplement energy benefits for low-income households. These benefits are offered in the form of savings, discounts, and direct cash assistance.

Although income eligibility for these programs may vary, all participating households would qualify under federal income guidelines for LIHEAP. The following are brief descriptions of the primary resources that are integrated into the LIHEAP program, directly or indirectly:

1. Margin-Over-Rack Oil Discount

The State LIHEAP Program developed the Margin-Over-Rack (MOR) program to provide home energy discounts through establishment of a maximum per gallon price for heating oil for all LIHEAP households. The CSU LIHEAP personnel calculate the weekly maximum price based on average terminal prices and issues it to the local Subgrantee agencies operating the MOR program.

Oil vendors are required by contract to submit delivery tickets with their current retail price. This information is entered into each Subgrantee's database. The software programs used by Subgrantee agencies are designed to compare the retail price of oil and the margin-over-rack price for the date of delivery. The lesser of the two is paid to the vendor. The difference between the two is considered the savings generated. Both prices are maintained in the database for reporting purposes. Subgrantee agencies provide the state LIHEAP office with a monthly report

detailing the amount of gallons delivered to households, the actual retail price for the oil delivered, the "MOR" price paid for the deliveries, and the difference or savings by vendor.

2. CAI Oil Bid Project

In eleven (11) cities and towns in Northeastern Massachusetts, home energy discounts are achieved through a competitive bidding process for oil deliveries to LIHEAP households. Successful bidders agree to make delivery to LIHEAP households based on a set margin above the average wholesale price of oil. Similar to the MOR program, the State LIHEAP office calculates the weekly bid price from daily average terminal prices.

Clients are not required to accept delivery from a participating "bid vendor". If they choose to take delivery from another vendor, benefits are paid directly to the client at the bid price regardless of the price charged by the vendor. Pricing information from these vendors is maintained on file.

The savings are calculated by comparing the average retail price per gallon with the average bid price per gallon to achieve an average savings per gallon. This figure is then multiplied by the number of gallons delivered by the vendor to arrive at a savings figure by vendor. The bid vendor savings are calculated by taking the difference between the average bid price per gallon and the average retail price per gallon and multiplying by the number of gallons delivered by each bid vendor.

3. Low Income Utility Discount Rates

Beginning in 1988, DHCD aggressively pursued and supported a low-income utility discount rate for LIHEAP clients and other target low-income groups.

State LIHEAP officials were involved in the rate filings with the Department of Telecommunications and Energy (DTE) encompassing negotiations and testimony in some cases, with a resultant outcome being the introduction of low-income rates for targeted households. Company officials sought the guidance and expertise of LIHEAP staff during and after these rate filings.

As of this writing, all major gas and electric utilities in Massachusetts offer lower rates to public assistance, fuel assistance, and or other limited income households. All households eligible for the discount are eligible under the federal standards set by section 2605(b)(2) of Public Law 97-35 (42 USC 8624(b)(2)). DHCD and the local fuel assistance network have been instrumental in the introduction of these rates via negotiation/participation in DTE proceedings as well as advocating with individual utilities. The network also plays a large part in the enrollment and certification of fuel assistance households to receive benefits for utility discount rates. In FY 2003, the amount of available utility discounts exceeded \$46 million.

4. Local/Statewide Fuel Funds

In at least three examples (Hampshire County, City of Westfield and City of Chicopee), non-federal funding resources are made available to fuel assistance and other limited income households to offset energy bills. Payments are made directly to vendors on behalf of the eligible households for payment of fuel bills. The HCAC Fuel Bank, the Westfield Warm Funds and the Chicopee Light Caring Fund solicit private, non-federal funds on an annual basis. Local fuel funds are managed by LIHEAP Subgrantees in similar manner. These programs serve households who are in need of additional assistance beyond their LIHEAP benefit and households at or below 200% of the poverty level, which is lower than 60% of the State's median income.

In addition, the LIHEAP network works very closely with the Good Neighbor Energy Fund - a statewide fund supported by utilities and private contributions. Households who are within federal eligibility guidelines (200% of poverty level, but within 60% of the State's median income), but not eligible for the State LIHEAP Program, are served by the Fund, with up to \$200 in direct vendor payment benefits. The referrals are made by the 21 LIHEAP provider agencies.

Another resource comes from the Special Fund operated by the United Way of Massachusetts Bay. Monies allotted to the Fund can assist households with energy emergencies in the form of oil deliveries or utility payments. Again, households at or below 60% of the State's median income are eligible for assistance, as are households whose LIHEAP benefit was not sufficient to meet their home energy needs. The referrals are made by the 21 LIHEAP Subgrantee agencies.

5. Weatherization Support

The Community Services Unit will also count resources contributed to weatherization and conservation programs as a supplement to DOE/LIHEAP efforts. These include in-kind contributions and funding from utility companies, property owners and contractors. The resource is available throughout the State and operated through the Subgrantee agencies operating the LIHEAP/WAP programs. The eligibility level for households is 200% of poverty for electric and gas utilities. The Community Services Unit has mandated certain landlord contributions and the Subgrantee agencies negotiate directly, under the auspices of the CSU, with utility companies for demand side management funds.

6. Town of Dennis Fuel Fund

The South Shore Community Action Council (SSCAC), the local operator serving the Town of Dennis, worked with the Town in developing a fuel fund for town residents. The program operates through SSCAC and is targeted to LIHEAP households under 150% of poverty. The SSCAC determines eligibility for the program, which provides additional assistance beyond the LIHEAP benefit.